SECRET SECURITY LINE OF WATTON DATE: 28 January 1953 Chief, EE Áttn FROM Chief of Base, Salzburg Docdiline: Rq Action Req SUBJECT: GENERAL Operational/HIWAY SPECIFIC- British Sponsored Operation of the ZAKO Group Section by Fouch te the media deq. By rable by yorch 1. Attached hereto please find CCG intercepts: Tax life lait New S/P 28047 dated 5 January 1953 S/P 27729 dated 27 November 1952 CIC Interrogation report L/26269 of Mathias DANKO CIC Interrogation report S/16078 of Iren SZABO

2. The combined cursory study of these reports reveals considerable details on the operational methods of the group and the fact that they have recently succeeded establishing contacts with some of their friends in Hungary. It seems that the group used, at least in some of their operations, Danube rivermen and that one of these reported on the port of RENI.

and reference is made to CIC Interrogation report S/13872 of Sandor HAHOTI

- 3. The above material is forwarded with the suggestion that Headquarters and Wienna will no doubt want to study the entire operation as it may have affected the Hijax operation and may adversely affect the operation based on Hijax 8 or any Danube operation.
 - 4. S/P 28047 seems to tie in with S/P 27729.
- a. S/P 27729 refers to MA-L (might be MA-1) and its postscript refers to MA. It also contains reference to MA-2.
- b. Postscript of S/P 280h7 is addressed to Sanyi (Sandor HAHOTI) and the covering letter of S/P 27729 is signed by Sanyika. Within the text of Exhibit II of the DANKO interrogation report, Zsofika (DANKO) addresses himself to "Draga Sanyikam".
- c. S/P 28017 is signed by "Z". The enclosure of S/P 27729 is addressed to Zoli who is probably identical with Zoltan/MAKRA reported on in S/13872.
- d. From S/P 28047 it seems that HAHOTI now uses a new alias or letterdrop address in Salzburg and that the Munich end also changed the address.

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5. We are not aware of what can be done to coordinate the activities of friendly agencies with equities in the Danube operations field, but it does seem clear that uncoordinated action will probably mutually endanger the interests of the agencies involved.

P.V.N.

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P. S.

It appears from GRUESOME's NOR-1932 that WALTHAM/II4 is probably the contact man of the ZAKO group to Dambe rivermen. We have asked GRUESOME to slow down activities in the Danube field in view of security considerations with which they agreed. Thus, the subject of NOR-5328, a close friend of will not be recruited by them without prior clearance from us.

SECRET SECURITY INFORMATION